

FOR IMMEDIATE RELEASE

Wednesday, May 20, 2009

CONTACT: Alexis Marks or Mara Lee
(202) 225-7163

Rep. Doris Matsui Votes in Favor of Credit Card Reform *Bill of Rights Will Protect Consumers from Deceptive Credit Card Practices and Empower Credit Card Holders to Make Informed Decisions*

Washington, DC – Today, Congresswoman Doris Matsui (CA-05) voted in favor of H.R. 627, the Credit Cardholders' Bill of Rights Act of 2009, which will mandate transparency of credit card terms, limit the ability for credit card companies to increase rates on previous purchases, and a series of additional provisions to further protect American consumers from predatory credit card practices.

The Credit Cardholders' Bill of Rights Act of 2009, which passed the House with a bi-partisan vote of 361-64, increases transparency and fairness in the credit market, and will empower consumers to better manage their accounts and avoid excessive and unnecessary costs. On May 19, 2009, the Senate passed H.R. 627 by a vote of 90-5. The bill is expected to reach the President's desk today to be signed into law.

"This bill will help restore fair competition to the credit industry and protect millions of Americans from abusive credit card practices," stated Congresswoman Matsui. "The Credit Cardholders' Bill of Rights will empower consumers in Sacramento and across the country to better manage their accounts, avoid excessive and unnecessary costs, and make informed decisions in their financial lives. This legislation is a necessary step to protect consumers and restore the promise of a healthy financial future for all Americans."

Credit-card debt in the U.S. has reached a record high - nearly \$1 trillion. Just this month, a study published by UC Davis Assistant Professor of Management, Victor Stango, in the American Economic Review concluded that the typical U.S. household pays \$500 annually in bank and credit card fees and interest. The study states that: 85 percent pay credit card charges, almost exclusively in the form of credit card interest; 48 percent incur credit card penalties for late payments or for exceeding credit limits, and 32 percent pay overdraft fees on their checking accounts. For the 10 percent of households forking out the highest fees and interest, Stango found the typical annual outlay was \$3,084.

“This study underscores the immediate need for real credit card reform. The people of Sacramento work hard, play by the rules, and deserve protection from abusive credit card practices. This legislation will have an impact on every American who owns a credit card. It will shield consumers from excessive interest rates and unwarranted, hidden fees and costs.”

Key Provisions of the Credit Cardholders’ Bill of Rights Act of 2009:

- Protects Consumers from Arbitrary Interest Rate Increase
- Protects Consumers from Misleading Terms
- Protects Consumers from Excessive Fees
- Provides Greater Disclosure of Card Terms and Conditions
- Protects Small Businesses
- Gift Card Protections
- Protects Vulnerable Consumers from Fee-Heavy Subprime Credit Cards
- Gives Congress Authority to Better Oversight the Credit Card Industry
- Protects Deployed Service Members and Disabled Veterans
- Protects Minors from Credit Card Debt

###